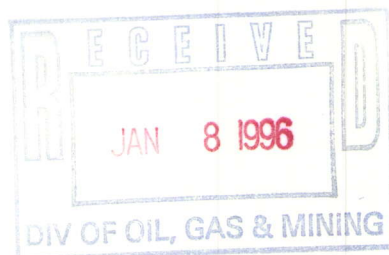


Kennecott Corporation
10 East South Temple
P.O. Box 11248
Salt Lake City, Utah 84147
(801) 322-7000



Kennecott

January 5, 1996

Mr. Tony Gallegos
State of Utah, Department of Natural Resources
Division of Oil, Gas and Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

RE: File No. M/035/011 New Reclamation Contract and Surety Bond

Dear Tony:

Please find enclosed the new Reclamation Contract and Surety Bond in connection with File No. M/035/011 for the Bingham Canyon Mine - UCD Modernization. We understand that you have had the opportunity to preview these documents in draft form working with Dawn Elton of Poulton Associates, and that you will plan to present them to the DOGM Board at their next meeting on January 24, 1996. As you know, we are proposing a change of sureties on the surety bond.

We respectfully request that the Board issue a release effective January 24, 1996 of the current Safeco Insurance Company bond #5728774, and accept in its place, effective January 24, 1996, the enclosed bond #16-52-29 and 41-0130-72528-95-7 issued by American Home Assurance Company and United States Fidelity and Guaranty Company.

Once the Board has approved this item, please forward to my attention: a notice of release of the old bond and acceptance of the new bond; the original Safeco bond; and a copy of the fully executed Reclamation Contract and Surety Bond. Please contact me at 322-7109 with any questions regarding this matter. Thank you for your assistance.

Very truly yours,

S. D. Burton

Enclosure

cc: K. P. Done (w/o enc.)
Dawn Elton - Poulton Associates (w/o enc.)